Investment by Foreign Companies in India

4561. SHRI SARADA MOHANTY:
SMT. MIRA DAS:
SHRI CHIMANBHAI MEHTA:
SHRI RAM AWADHESH SINGH:

Will the Minister of FINANCE be pleased to state:

(a) what is the total investment of foreign companies in our country at present and what percentage it constitutes in our total industrial manufacturing economy;

(b) whether it is a fact that notwithstanding liberalisation, foreign companies are not coming forward in a significant way for investment in India;

(c) if so, what are the hurdles they consider here; and

(d) what are the concessions Government have offered to them and what more concessions they have asked for?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) According to the Reserve Bank of India, data on exact amount of investment in India by foreign companies is not available. However, the Reserve Bank of India has been conducting periodic surveys and censuses on foreign assets and liabilities in India. The last such survey being at the end of March, 1987 with provisional estimates for March, 1988. These data show that the stock of foreign investment in India (direct and portfolio) stood at Rs. 2617 crores at the end of March, 1988. According to studies conducted by RBI on the finances of non-Government private limited and public limited companies, the stock of investment as measured by net total assets of the companies stood at Rs. 47753 crores at the end of March, 1988.

(b) and (c) There has been a four-fold increase in the amount of foreign investment approved in India during 1991 in comparison to 1990. In 1990, the amount of foreign investment approved was Rs. 128.32 crores. In 1991 it increased to Rs. 534.11 crores.

(d) Under the New Industrial Policy, automatic approval for foreign direct investment upto 51 foreign equity in 34 high priority industries has been allowed. Foreign equity proposals need not necessarily be accompanied by foreign technology agreements. Majority foreign holding upto 51% foreign equity has also been allowed for trading companies primarily engaged in export activities. Existing companies with foreign equity have also been allowed to enhance their foreign equity upto 51%. The dividend payments are required to be balanced by export earnings over a period of 7 years from the commencement of production.

Shortfall in Collection by way of Excise and Custom Duties

4562. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that revenue collection of Central Excise and Custom duties registered a short-fall during the current financial year;

(b) if so, what are the reasons therefor;

(c) what are the details of revenue collections from Central Excise and Customs levies during the current financial year and how does it compare with corresponding periods since 1987-88; and

(d) what measures are contemplated by Government to augment collection of excise and custom revenues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) The collection of revenue from customs and central excise duties upto the end of February, 1992, as per the departmental records, is provisionally estimated at Rs. 43971.36 crores (exclusive of cesses not administered by the Department of Revenue) as against the Revised Budget Estimate of Rs. 50477.74 crores set for 1991-92.

(c) The revenue collections (as per departmental records) from customs and central excise levies during the period April, 1991 to February, 1992 and the

corresponding periods since 1987-88 are as follows:—

(Rs. in crores)

Years	Customs	Excise*
April, 87-February, 88	12331.31	14596.52
April, 88-February, 89	14149.34	16493.46
April, 89-February, 90	15861.93	19516.62
April, 90-February, 91	18245.79	21394.45
April, 91-February, 92	19246.74	24724.62

*Exclusive of cesses not collected by Deptt. of Revenue.

(d) All possible steps are being taken to maximise revenue collections.

State Finance Corporation in the Country

4563. SHRI RAJNI RANJAN SAHU: SHRI P. UPENDRA:

Will the Minister of FINANCE be pleased to state:

(a) what is the total number of State Finance Corporation in the country and how many of them are sick at present;

(b) what are the reasons for their sickness and steps taken by Government to make them viable; and

(c) what is the number of units that have been assisted by State Finance Corporations during the period from 1980 to 1991?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) The Industrial Development Bank of India (IDBI) has reported that out of 18 State Financial Corporations (SFCs) in the country, none of the SFCs has a negative networth, as on March 31, 1991. Seven SFCs can, however be deemed to be financially weak, based on a weighted average index of their overall financial performance on the basis of criteria relating to return on equity, recovery ratio, capital adequacy, overdue affected port-folio and plough back. An Action plan for the revitalisation of SFCs, *inter-alia* envisaging restructuring of top management of SFCs recapitalisation of SFCs having low capital adequacy, requiring SFCs to follow prudential norms in their business operations, upgradation of their accounting policies and standards, and reorganising the resources pattern of SFCs for their viable growth has been drawn up by the IDBI and its implementation is likely to assist in improving the viability of the financially weak SFCs.

(c) IDBI has reported that 3,88,993 units have been assisted by SFCs during the period 1979-80 to 1990-91.

Criminal cases filed for fraudulent transactions

4564. SHRI DIPEN GHOSH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a criminal case has been filed against the officers of Indian Overseas Bank and Twentieth Century Foods, Singapore and its officers, M/s. Rajan Pillai Associates for fraudulent transactions during October, 1990;

(b) if so, what are the details thereof;

(c) what action has been taken thereon; and

(d) whether there are any other cases or charges against M/s. Rajan Pillai Associates?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (d) It has been reported by the Indian Overseas Bank that they have not filed a criminal case against their own officers in regard to advances given to M/s. Twentieth Century Foods, Singapore.

As regards the information relating to the individual clients, it may be mentioned that in accordance with the Statutes governing public sector banks and customs and usages prevalent amongst bankers, banks do not disclose information relating to their individual constituents.